

**CONTRACT #8**  
**RFS # 318.66-023**

**Department of Finance &  
Administration/Bureau of  
TennCare**

**VENDOR:**  
**Tennessee Behavioral Health,**  
**Inc.**  
**(Middle & West Grand**  
**Regions)**

# CONTRACT SUMMARY SHEET

<b>RFS Number:</b>	318.66-023	<b>Contract Number:</b>	FA 01-14661-12
<b>State Agency:</b>	Department of Finance and Administration	<b>Division:</b>	TennCare
<b>Contractor</b>		<b>Contractor Identification Number</b>	
Tennessee Behavioral Health, Inc.		<b>X</b>	<b>V-</b>
		<b>C-</b>	621621636-00

## Service Description

Behavioral Health Organization Services/Medically Necessary Behavioral Services to the TennCare Medicaid Population

<b>Contract Begin Date</b>				<b>Contract End Date</b>			
1/1/2001				6/30/2006			
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Grant</b>	<b>Grant Code</b>	<b>Subgrant Code</b>	
318.66	131	134	11	on STARS			
<b>FY</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>Interdepartmental Funds</b>	<b>Other Funding</b>	<b>Total Contract Amount include ALL amendments</b>		
2001	\$26,136,000.00	\$45,814,400.00			\$71,950,400.00		
2002	\$55,843,870.00	\$97,900,695.00			\$153,744,565.00		
2003	\$48,857,500.00	\$85,652,700.00			\$134,510,200.00		
2004	\$39,895,349.00	\$72,319,964.00			\$112,215,313.00		
2005	\$101,163,744.00	\$185,500,300.00			\$286,664,044.00		
2006	\$24,413,500.00	\$43,771,000.00			\$68,184,500.00		
<b>Total:</b>	\$296,309,963.00	\$530,959,059.00	\$0.00	\$0.00	\$827,269,022.00		

<b>CFDA Number:</b>	93.778 Secretary of Health & Human Services	<b>Check the box (below) ONLY if the answer is YES:</b>	
<b>State Fiscal Contact</b>		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	<b>X</b>
<b>Name:</b>	Scott Pierce	Is the Contractor a VENDOR? (per OMB A-133)	
<b>Address:</b>	310 Great Circle Road	Is the Fiscal Year Funding STRICTLY LIMITED?	
<b>Phone:</b>	615-507-6415	Is the Contractor on STARS?	
<b>Procuring Agency Budget Officer Signature</b>		Is the Contractor's FORM W-9 ATTACHED?	
		Is the Contractors Form W-9 Filed with Accounts?	

COMPLETE FOR ALL AMENDMENTS (only)			
		Base Contract & Prior Amendments	This Amendment ONLY
<b>End Date &gt;</b>		6/30/2006	
<b>FY:</b>	2001	\$71,950,400.00	
<b>FY:</b>	2002	\$153,744,565.00	
<b>FY:</b>	2003	\$134,510,200.00	
<b>FY:</b>	2004	\$112,215,313.00	
<b>FY:</b>	2005	\$286,664,044.00	
<b>FY:</b>	2006	\$286,664,044.00	-\$218,479,544.00
<b>Totals:</b>		\$1,045,748,566.00	-\$218,479,544.00

**Funding Certification**

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

**AMENDMENT NUMBER 12**

**TO PROVIDER RISK CONTRACT # FA-01-14661**

**BETWEEN**

**THE STATE OF TENNESSEE DEPARTMENT OF MENTAL HEALTH AND  
DEVELOPMENTAL DISABILITIES**

**AND**

**TENNESSEE BEHAVIORAL HEALTH, INC.  
IN THE MIDDLE AND WEST TENNESSEE GRAND REGIONS**

For and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to clarify and/or amend the Provider Risk Agreement by and between the State of Tennessee Department of Mental Health and Developmental Disabilities, hereinafter referred to as **TDMHDD**, and Tennessee Behavioral Health, Inc. hereinafter referred to as the **Contractor**, as follows:

Titles and numbering of paragraphs used herein are for the purpose of facilitating use of reference only and shall not be construed to infer a contractual construction of language. The changes in this amendment shall become effective, unless stated otherwise in this document, on August 1, 2005.

1. Section 4.7.1, Maximum Liability and Allocation of Funds to this Contract, shall be amended by replacing the second sentence in the first paragraph with the following:

In no event shall the maximum liability of the State for this contract exceed sixty-eight million, one hundred eighty-four thousand, five hundred dollars (\$68,184,500.00) for the contract period July 1, 2005 through June 30, 2006; this amount is derived by multiplying estimated enrollment levels by rate cell by the contracted per capita cost by cell.

2. Section 4.7.1, Maximum Liability and Allocation of Funds to this Contract, shall be further amended by deleting the third sentence in the first paragraph that reads:

For the period of July 1 – 31, 2005, the maximum liability of the State for the TennCare Partners Program in the Middle and West Tennessee grand regions shall be \$23,888,670.00 per month.

3. Section 4.7.2, Payment Methodology, shall be amended by deleting it in its entirety and replacing it with the following:

The **Contractor** shall be compensated based on the rates herein for the payment rate categories authorized by the State in a total amount not to exceed the **TennCare Partners Program** Maximum Liability established in Section 4.7.1. Payments shall be subject to withholds as set forth in the CONTRACT. The rates in Table 1 shall be applicable from August 1, 2005 through June 30, 2006.

**Table 1: Rates**

<b>PAYMENT RATE CATEGORY</b>	<b>PER MEMBER/ PER MONTH RATE</b>
Priority Population age 0-12	\$211.29
Priority Population age 13-17	\$368.25
Priority Population age 18 and above	\$296.72
Non-Priority Population age 0-12	\$3.82
Non-Priority Population age 13-17	\$19.25
Non-Priority Population age 18 and above	\$10.53

The rates include the ten-percent (10%) administrative fees and the two-percent (2%) premium taxes. If the CONTRACT is extended for an additional period or periods as amended by Section 6.18.4 of this CONTRACT, the **Contractor** shall be compensated based upon the payment rate categories detailed above subject to adjustment as determined by annual independent actuarial analysis and subject to State appropriations.

**TennCare** shall make monthly payments to the **Contractor** for its satisfactory performance and provision of covered services under this CONTRACT. Each payment shall be paid on or before the fifth (5<sup>th</sup>) business day of each month. Prior to August 1, 2005, each monthly payment to the **Contractor** shall be equal to the number of **Enrollees** residing in the **Contractor's** plan as assigned by priority status. As of August 1, 2005, each monthly payment to the **Contractor** shall be equal to the number of **Enrollees** residing in the **Contractor's** plan as assigned to six (6) categories, multiplied by the appropriate rates for the **Enrollee** categories as set out below. These payments shall be less any adjustments which may include set-offs, withholds for penalties, damages, liquidated damages, or adjustments based upon a change of **Enrollee** status or partial takeover as provided under any section of this CONTRACT. Payment adjustments shall be accomplished through the

monthly payment reconciliation process. Each payment shall be calculated as follows:

4. Section 4.7.2.1, Calculation of Capitation Payments, shall be amended by deleting in its entirety and replacing with the following:

#### **Counting Enrollees**

For the period beginning August 1, 2005, and each month thereafter, **TennCare** will calculate the number of **Enrollees** in the **Contractor's** plan. For assignment to a **Contractor's** plan for payment purposes only, an **Enrollee's** residence shall be conclusively determined to be the region of residence recorded in the **TennCare** eligibility system at the time the capitation payment is calculated and the capitation payment shall not be retroactively adjusted to reflect a different region of residence. This provision is applicable only for determination of applicable rate payment and is not applicable to any other consideration, such as applicable plan or duration of enrollment in any plan.

#### **Payment Rate Category**

**TennCare** will determine the appropriate capitation payment rate category to which each **Enrollee** is assigned for payment purposes under this CONTRACT. The payment amount owed the **Contractor** for each **Enrollee** shall be determined by dividing the appropriate capitation rate category by the number of days in the month and then multiplying the quotient of this transaction by the number of days the enrollee was enrolled in the plan.

#### **Payment Rate Category Assignment**

**TennCare's** assignment of an **Enrollee** to a capitation payment rate category is for payment purposes under this CONTRACT, only, and is not an "adverse action" or determination of the benefits to which an **Enrollee** is entitled under **the TennCare Partners Program, TennCare** Rules, policies and procedures, the **TennCare** Waiver or relevant court orders.

#### **Payment Rate Category Adjustment For Non-Utilizers of Services**

**Enrollees** who are priority participants as defined in this CONTRACT, who have not received behavioral health services as reported pursuant to Section 3.12.4 and Attachment D of this CONTRACT (excluding a CRG/TPG Assessment), within the preceding twelve (12) months from the date of the calculation of the monthly payment, or who have not had a CRG/TPG assessment within the preceding twelve (12) months from the date of the calculation of the monthly payment, shall be assigned to a non-priority population rate category for payment purposes under this CONTRACT.

### **Retroactive Adjustments Due to Enrollee Status**

Except as set forth in this section above, the State has the discretion to retroactively adjust the capitation payment for any **Enrollee** if **TennCare** determines an incorrect payment was made to the **Contractor** or to accurately reflect payments that should have been made.

Should **TennCare** determine after the capitation payment is made that an **Enrollee's** capitation rate category had changed or the **Enrollee** was deceased, **TennCare** shall retroactively adjust the payment to the **Contractor** to accurately reflect the **Enrollee's** capitation rate category for the period. **TennCare** shall retroactively adjust the payment to the **Contractor**, not to exceed twelve (12) months. **TennCare** and the **Contractor** agree that the twelve (12) month limitation described in this paragraph is applicable only to retroactive capitation rate payment adjustments and shall in no way be construed as a determination of the effective date of eligibility or enrollment in the **Contractor's** plan.

If a provider seeks reimbursement for a service provided during a retroactive period of eligibility, the **Contractor** shall assess cost-sharing responsibilities in accordance with the appropriate cost-sharing schedules in effect on the date of service for which reimbursement is sought.

5. Section 4.7.2.2, Profit/Loss Risk Banding, shall be amended by changing the end date for the 70% loss to be paid by or 70% gain to be paid to the State from December 31, 2005 to June 30, 2006.
6. Attachment I, Instructions for Completion of Lobbying Disclosure Form for the Bureau of TennCare and TDMHDD, shall be amended in number eight by changing the section reference number from "4-12" to section "6.7".

All of the provisions of the original CONTRACT not specifically deleted or modified herein shall remain in full force and effect. Unless a provision contained in this Amendment specifically indicates a different effective date, for purposes of the provisions contained herein, this Amendment shall become effective, or as of the date it is approved by the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services.

IN WITNESS WHEREOF, the parties have by there duly authorized representatives set their signature.

\_\_\_\_\_  
Russell C. Petrella, Ph.D.  
President  
Tennessee Behavioral Health, Inc.

\_\_\_\_\_  
DATE

TENNESSEE DEPARTMENT OF MENTAL  
HEALTH AND DEVELOPMENTAL DISABILITIES

\_\_\_\_\_  
Virginia Trotter Betts, MSN, JD, RN, FAAN  
Commissioner

\_\_\_\_\_  
DATE

TENNESSEE DEPARTMENT OF  
FINANCE AND ADMINISTRATION:

\_\_\_\_\_  
M.D. Goetz, Jr.  
Commissioner

\_\_\_\_\_  
DATE

APPROVED:

TENNESSEE DEPARTMENT OF  
FINANCE AND ADMINISTRATION:

\_\_\_\_\_  
M.D. Goetz, Jr.  
Commissioner

\_\_\_\_\_  
DATE

COMPTROLLER OF TREASURY:

\_\_\_\_\_  
John G. Morgan  
Comptroller of Treasury

\_\_\_\_\_  
DATE